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## Graduate employability through entrepreneurship: A case study at USIM

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### Abstract

Graduate entrepreneurs and entrepreneurial graduates are two focal concerns of the Ministry of Education of Malaysia due to the increasing rate of unemployment in Malaysia. A study conducted by Centre of Student Entrepreneurship Development at Universiti Sains Islam Malaysia (USIM) and the Office of Alumni Management USIM is aimed at understanding the non-business graduates' attempts towards entrepreneurial activities. Semi-structured interviews were conducted to a number of 25 USIM alumni entrepreneurs. This study is expected to assist the university as well as the Government in intensifying efforts to encourage more students to entrepreneurship activities as their career path upon graduation.

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### 1. Introduction

The Ministry of Education of Malaysia (MOE) has newly launched the Malaysia Education Blueprint (Higher Education) 2015-2025. The first shift was emphasized on holistic, entrepreneurial and balanced graduates. According

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to the MOE (2015), there is a mismatch in the supply and demand of graduates, with employers reporting that graduates lack the requisite knowledge, skills and attitudes. This mismatch is only expected to get tougher to resolve as technological disruptions reshape industries and alter the types of jobs available. Preparing Malaysian youth to navigate this uncertain future not only requires imbuing them with transferrable skills and sound ethical foundations, but also the resilience and enterprising spirit to forge new opportunities for themselves and others. Therefore, it is important to move from a world of job seekers to a world of job creators.

In this mission, various efforts were undertaken by the MOE to increase the marketability of graduates produced by public higher education institutions. In addition to equipping themselves with academic knowledge, graduates must also possess soft skills and enterprise or business skills to enhance their competencies. Programs such as Industrial Training, Business Apprenticeship, Finishing School and Entrepreneurship Training were introduced. These programs were organized for graduates to obtain suitable employment, can become entrepreneurs and create jobs, have high competence and quality that have added value in terms of soft skills to meet market needs.

A study conducted by the Centre of Student Entrepreneurship Development USIM in collaboration with the Office of Alumni Management USIM is aimed at understanding the non-business graduates' attempts towards entrepreneurial activities. Semi-structured interviews were conducted to a number of 25 USIM alumni entrepreneurs. This study is expected to assist the university as well as the Government in intensifying efforts to encourage more students to entrepreneurship activities as their career path upon graduation.

## 2. Literature Review

### 2.1 *Entrepreneur and entrepreneurship*

Entrepreneurship is a potentially promising field of scholarly inquiry. However, many claim that it lacks a substantial theoretical foundation (Bygrave & Hofer, 1991; Davidsson, 2008; Shane & Venkataraman, 2000) and thus needs more attention. According to Shane and Venkataraman (2000), many studies on entrepreneurship constitute research for some aspect of the setting (e.g., small businesses or new firms), rather than a unique conceptual domain. They believe that the approach does not provide an adequate test of entrepreneurship, since entrepreneurship is concerned with the discovery and exploitation of profitable opportunities.

Entrepreneur is a derivative of the French verb *entreprendre*; that means literally, to “undertake”. The German equivalent, *unternehmer*, closely translates to owner-manager (Drucker, 1985). Drucker (1985) described an entrepreneur as someone who searches for change, responds to it and exploits it as an opportunity. Bygrave and Hofer (1991) added to the definition of an entrepreneur as someone who perceives an opportunity and creates an organisation to pursue it. Essentially, entrepreneurs are agents of change, providing creative and innovative ideas for business enterprises; and helping businesses grow and become profitable (Kuratko & Hodgetts, 2004). Moreover, in today's world, job creators are more envisioned than job seekers.

### 2.2 *The marketability of graduates through entrepreneurship training*

The high unemployment rate among graduates is not a new issue (Noorah Yusof et. al, 2013). In fact, this issue is of concern in many countries. According to Muhammad Hazrul (2012), one of the measures to reduce this problem is by the introduction of Entrepreneurship Module implemented by the MOE to equip students with entrepreneurial skills relevant to the market so that graduates will be able to be independent in terms of their career. This module was built to help startups graduates (graduates entrepreneur) and produce graduates with entrepreneurial characteristics (entrepreneurial graduates).

Entrepreneurship as a career has been one of top agenda in many countries (Henderson & Robertson, 2000; He et. al, 2006; L  thje & Franke, 2003; Keat et.al, 2011). This can be realized because entrepreneurship is considered as areas that can be studied (Henry et al, 2005). However, this is depends on the effectiveness of entrepreneurship education and training provided. The effectiveness of entrepreneurship education and training is recognized as an important factor to help youth improve entrepreneurship (entrepreneurial attitude) (Wang & Wong, 2004). These factors will form the interest of opening his/her own company in the future.

Studies by S  nchez (2011) showed that entrepreneurship training undertaken by students during the university

affects the interest to run his/her own company after graduation. This study supports the theory of planned behavior, which was founded by Ajzen (1991) and has been used by most of the research to look into with the intention before doing anything (intentions to perform behaviors). For example is the study titled “Entrepreneurial Careers among Business Graduates: Match-making Using Theory of Planned Behavior” conducted by Choy et.al, (2005). The study found that there are several factors that influence the selection of a student to become an entrepreneur. These factors are subjective norm, attitude towards behavior and perceived behavioral control.

A study conducted in Singapore to see the interest in entrepreneurship by university students found that between three significant factors were gender, family background in business and education level (Wang & Wong, 2004). The study supports research conducted by Keat et.al (2011) in the northern part of Malaysia on aspects of family background in business will affect student interest in entrepreneurship. In addition, the government can also contribute to promoting entrepreneurship by creating more successful entrepreneurs as a guide, reduce the level of bureaucracy for new traders as well as reducing the stigma of failure (Wang & Wong, 2004).

### 3. Methodology

This study is conducted by utilizing upon a case study method in order to study in-depth about the research question (Yin, 2009). This study is sought to understand the non-business graduates’ attempts towards entrepreneurial activities. Primary data were sought through semi-structured interviews with 25 USIM alumni entrepreneurs. Besides that, secondary data such as company documents, newspapers and articles were sought to support the input from the interviewees.

For data analysis, the research will be using the five-phased cycle, namely: (1) compiling, (2) disassembling, (3) reassembling (and arraying), (4) interpreting, and (5) concluding as proposed by Yin (2011). At the end, case study will provide lessons which learnt from the interviewee’s unique experiences (Yin, 2009). For the purpose of this paper, only two (2) alumni entrepreneurs will be selected for further discussion.

### 4. Findings and discussion

As mentioned earlier, this study is aimed at understanding the non-business graduates’ attempts towards entrepreneurial activities. For the purpose of this paper, only two (2) unique cases of alumni entrepreneurs will be discussed. Those are categorized as AU1 and AU2.

#### 4.1 AU1

AU1 once was an introverted student. However introversion did not prevent him to become a cheerful, friendly greeting and easily recognizable counterparts of other students. AU1, a former Arab Higher Secondary School or Maahad Johor continued his studies at the Faculty of al-Quran and al-Sunnah in the Department of Education al-Quran and as-Sunnah, Islamic University College of Malaysia (KUIM) or now called as Universiti Sains Islam Malaysia (USIM) in 2002. He successfully completed his studies at the Islamic University College of Malaysia (KUIM) in 2005.

Even as one-graduate student of Islamic Studies at the university, his career is a little different from most others. Upon graduating from KUIM, AU1 once work with a government agency of the State of Johor for three years from 2005 to 2008 as Senior Consulting. AU1 subsequently resigned to further his studies in the field of MBA (Master of Business Administration) and graduated in 2011 in Sydney. In Australia, AU1 had received several offers of work and decided to stay in Sydney. But on some issues involving the child's health problems, he and his wife decided to return to Malaysia.

AU1’s interest and inclination in entrepreneurship nurtured since he was in tertiary education, especially in Australia. However, on the yet to discover business opportunities that are of interest and potential, his first entrepreneurial venture was postponed until return to Malaysia. In Sydney, AU1 worked part-time in a Coffee House near his university. In addition, he joined Sydney Coffee School for further deepen his industrial and coffee-making skills. Upon returning to Malaysia, AU1 has worked with ‘Coffee Planet Malaysia’. According to him, this company

is based in Dubai, UAE and has an extensive coffee plantation in Costa Rica. Experience working in a 'Coffee Planet Malaysia' for two years, he seriously start up 'Flickers Coffee House' in Taman Tun Dr. Ismail, Kuala Lumpur. Apart from operating the coffee house, AU1 also distribute quality coffee beans such as green hornbill coffee, roaster, and coffee beans beverage powder and so on. Furthermore, AU1 active in the business of selling coffee brewing machines and conduct 'barista' training to the fans of coffee brewing industry in Malaysia. With extensive experience in the industry, both as workers overseas as well as entrepreneurs, AU1 has proved that alumni of Islamic Studies are able to venture into other skills. Exposure received at all levels of the industry, locally and internationally, enabling him to see the brewing industry as a whole encompasses industry skills and expertise, education, and trade.

On top of that, 'Flickers' provides different elements compared to the Coffee House owned by the non-Muslim entrepreneurs. For example, 'Flickers' provides song performance from dakwah singers and also has a calligraphy gallery for public. AU1 plans to expand to business. Among his plans is to get most of the coffee beans from Brazil and Indonesia for trade as well as in building the 'Flickers' franchise network in Malaysia. When asked about the impact of a USIM alumni and students of Islamic Studies in business, in all honesty, he stressed that the Islamic Studies made him realize the importance of developing the economy of Muslims. He stressed that from the beginning he was a student of Islamic Studies, and the field will not prevent him to become more motivated to learn skills up to date. Among the concepts that he believed to be very important is the concept of jihad business and corporate endowments. According to him, in terms of business, what is important is not their field of study, but the attitude. Only with attitude of the original entrepreneurs are able to tap into a consistent business.

#### 4.2 AU2

AU2 Mohamed came from Bachok, Kelantan Darul Naim. She continued her studies at Universiti Sains Islam Malaysia (USIM) in the degree of Counseling from the Leadership and Management Faculty. Shortly after graduation, AU2 worked as a counselling lecturer at the Islamic College of Science and Technology Kelantan or KIST. She continued to work at KIST for almost a year and stopped to continue her studies in Masters in Counselling at Universiti Utara Malaysia. Among the main issues raised AU2 to make a decision ceases to be a lecturer was, what can she do after this for a living? Her husband at that time was studying in the field of Agro-Techno Entrepreneurship. The initial business venture was selling cakes and snacks around Kelantan. Then, AU2 has participated in several entrepreneurial courses organized in Kota Bharu. Based on the course, AU2 initiated digital materials business and promotion using his own savings. At first, she used the concept of SOHO or Small Office Home Office. Using this concept, AU2 has visited various organizations around Kelantan to promote her products. Her spirit never fell but increased because of business confidence as a Sunnah. The first contract received by AU2 was worth RM 20,000 from a school in Kota Bharu. Starting from this contract, AU2 was no longer looking back and continue to grow her business.

To expand the business, AU2 learn the business by using the web and social media. Nearly five years she worked on printing digital materials business, promotion, gift, and others. The company, Real Momentum has grown almost all over the East Coast of Malaysia. In 2011, Real Momentum has successfully recorded a turnover of RM 1 million. Real momentum is now actively developing their business throughout Peninsular Malaysia and overseas. What distinguishes Real Momentum is before and after-sales service that is always emphasized by the company. For AU2, blessings and trust in business is everything. AU2 clearly linked the nature of the provisions of Allah pleased, especially at the beginning of his involvement in the business.

#### 4.3 Discussion

Based on the interview and observation conducted to the two alumni entrepreneurs, the study found that although they are coming from the non-business background, their attempt towards entrepreneurship activities is very high. One of the factors which made them involved in the entrepreneurship is because they believe on the sunnah of doing business as conducted by Prophet Muhammad SAW. Hence, they follow the sunnah by doing a correct business etiquette.

Moreover, the study also has found that entrepreneurship training plays an important element in making a business a success. Trainings gained whilst in the university will actually expedite the business success. This study also has supported prior studies on the importance of entrepreneurship training to encourage graduate entrepreneur as well as

entrepreneurial graduates (Wang & Wong, 2004; Keat et.al, 2011; Choy et.al, 2005).

## 5. Conclusion

Entrepreneurship training plays a vital role to nurture entrepreneurship culture among the students. This was clearly evident from the interview conducted in the study. The alumni of USIM did mentioned that many entrepreneurship programs should be organised in the university so that students will be exposed early. The university also should take proactive actions for example by providing facilities for students to start a business in campus. This also will give a real exposure to them and hopefully will contribute in encouraging more students becoming graduate entrepreneurs.

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